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MEMORANDUM NEIGHBORHOOD RESOURCES - COUNCIL MEMO NO. NR14-012

DATE: APRIL 28, 2014

TO: MAYOR AND CITY COUNCIL

THRU: RICH DLUGAS, CITY MANAGER *RD*
JEFF CLARK, FIRE CHIEF *JC*
JENNIFER MORRISON, NEIGHBORHOOD RESOURCES DIRECTOR *JM*

FROM: BARBARA BELLAMY, CDBG PROGRAM SUPERVISOR *BB*

SUBJECT: RESOLUTION NO. 4743 OF THE CITY OF CHANDLER, MARICOPA COUNTY, ARIZONA AUTHORIZING AN APPLICATION FOR AND USE OF FISCAL YEAR 2014-2015 HOME PROGRAM FUNDS FROM THE CRANSTON-GONZALEZ NATIONAL AFFORDABLE HOUSING ACT IN THE AMOUNT OF \$293,292.00 PROVIDED THROUGH THE MARICOPA COUNTY CONSORTIUM; AUTHORIZING THE RECEIPT AND ALLOCATION OF ADDITIONAL FISCAL YEAR 2013-2014 HOME PROGRAM FUNDS FOR TENANT BASED RENTAL ASSISTANCE IN THE AMOUNT OF \$184,251.00; AND AUTHORIZING THE ALLOCATION TO THE HOME PROGRAM OF TRUSTEE'S SALE PROCEEDS IN THE AMOUNT OF \$167,897.00

HHSC AND STAFF RECOMMENDATION: Mayor and City Council are requested to approve Resolution No. 4743 of the City of Chandler, Maricopa County, Arizona authorizing approval of an application for and use of Fiscal Year 2014-2015 Home Investment Partnership Program (HOME) funds from the Cranston-Gonzalez National Affordable Housing Act in the amount of \$293,292.00 through the Maricopa County Consortium; authorizing the receipt and allocation of additional Fiscal Year 2013-2014 HOME program funds for tenant based rental assistance in the amount of \$184,251.00; and authorizing the allocation to the HOME program of trustee's sale proceeds in the amount of \$167,897.00.

BACKGROUND: The City of Chandler receives federal HOME Investment Partnership funds annually through the Maricopa HOME Consortium. A total of \$645,440.00 is available for allocation for Fiscal Year 2014-2015. This is comprised of \$293,292.00 in 2014-2015 funding from the Consortium, \$184,251.00 in reallocated Fiscal Year 2013-2014 funds from Consortium and \$167,897.00 in one-time proceeds earned through the Deed of Trustee Sale of properties formerly owned by Community Services of Arizona (CSA). Eligible activities utilizing HOME funds

include: homeowner rehabilitation, homebuyer activities, rental housing, and tenant-based rental assistance.

Of the funding received by the City of Chandler for program operation in the upcoming fiscal year, \$27,544.00 will be available to the City for administration of the HOME Program.

Staff announced the availability of HOME funding to area housing nonprofit organizations and Request for Proposals were issued seeking applications for HOME eligible activities. Three applications for HOME funding were received.

DISCUSSION:

The City's Fiscal Year 2014-2015 HOME program descriptions, as well as the Housing and Human Services Commission funding recommendations are attached.

FINANCIAL IMPLICATIONS: Funding for the HOME program is provided from HUD through the Maricopa County Consortium and does not require repayment.

PROPOSED MOTION: Mayor and City Council are requested to approve Resolution No. 4743 of the City of Chandler, Maricopa County, Arizona authorizing the City Manager to execute and submit all related document for an application for and use of Fiscal Year 2014-2015 HOME Program funds from the Cranston-Gonzalez National Affordable Housing Act in the amount of \$293,292.00 through the Maricopa County Consortium; authorizing the receipt and allocation of additional Fiscal Year 2013-2014 HOME program funds for tenant based rental assistance in the amount of \$184,251.00; and authorizing the allocation to the HOME program of trustee's sale proceeds in the amount of \$167,897.00 and authorizing the City Manager to sign all related documents.

Attachments: A - Resolution Number 4743

B – Fiscal Year 2014-2015 HOME Program Descriptions and Funding Recommendations

RESOLUTION NO. 4743

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CHANDLER, MARICOPA COUNTY, ARIZONA, AUTHORIZING AN APPLICATION FOR AND USE OF FISCAL YEAR 2014-2015 HOME PROGRAM FUNDS FROM THE CRANSTON-GONZALEZ NATIONAL AFFORDABLE HOUSING ACT IN THE AMOUNT OF \$293,292.00 PROVIDED THROUGH THE MARICOPA COUNTY CONSORTIUM; AUTHORIZING THE RECEIPT AND ALLOCATION OF ADDITIONAL FISCAL YEAR 2013-2014 HOME PROGRAM FUNDS FOR TENANT BASED RENTAL ASSISTANCE IN THE AMOUNT OF \$184,251.00; AND AUTHORIZING THE ALLOCATION TO THE HOME PROGRAM OF TRUSTEE'S SALE PROCEEDS IN THE AMOUNT OF \$167,897.00.

WHEREAS, the City of Chandler anticipates receiving \$293,292.00, the Fiscal Year 2014-2015 annual allocation through the Maricopa County Consortium (the "Consortium") by its entitlement from the United States Department of Housing and Urban Development (HUD) to use for the City's Fiscal Year 2014-2015 HOME Program; and

WHEREAS, Title II of the Cranston-Gonzalez National Affordable Housing Act (the "Act") makes available funds in Fiscal Year 2014-2015 to assist the City of Chandler in creating a more viable community; and

WHEREAS, decent, safe, affordable housing is at the core of family stability and strong neighborhoods; and

WHEREAS, since 1982, the HOME program has expanded the supply of decent safe, affordable housing, strengthened public-private partnerships; improved the lives of low-and moderate-income people, and strengthened neighborhoods; and

WHEREAS, the HOME program provides no interest loans and/or grants for the rehabilitation of existing low income homeowner properties; and

WHEREAS, the City Council has examined the proposed program and received input from citizens of the community in public hearings, and has deliberated on the needs, goals, and programs specified for Community Development funding; and

WHEREAS, City staff has prepared an Annual Action Plan for the use of Community Development resources for Fiscal Year 2014-2015; and

WHEREAS, the Consortium has approved an additional allocation of \$184,251.00 in 2013-2014 HOME Program funds to the City of Chandler for Tenant Based Rental Assistance; and

WHEREAS, the City has realized proceeds in the amount of \$167,897.00 from a city-initiated Trustee's Sale to foreclose a HOME loan on property held by Community Services of Arizona, which proceeds need to be reallocated to the HOME program;

NOW, THEREFORE BE IT RESOLVED, by the City Council of the City of Chandler, Maricopa County, Arizona, as follows:

Section 1. The Chandler City Manager (or the City Manager's designee) is authorized (a) to make application to HUD, through the Consortium, for funds in the amount of \$293,292.00 for the City's HOME program for Fiscal Year 2014-2015, in accordance with the terms and conditions of the Maricopa HOME Consortium Agreement; (b) to submit with the application all documents, submissions, plans and materials required by the Act; and (c) to prepare, submit, negotiate and execute all contracts for services and use of the funds to be made available to the City under Title II of the Act for financing and implementation of all applicable City programs and projects.

Section 2. The City Manager or designee shall have authority to provide required policy and administrative assurances including civil rights, equal opportunity, citizen participation, relocation and property acquisition policy, environmental assurances, labor standards, and others as may be specified under federal law in 24 CFR Part 92, Subpart K, Section 92.504 (c) (2) HOME Investment Partnerships Program.

Section 3. The City Manager or designee is authorized to take those actions necessary and prudent to implement the City's HOME program including the signing of contracts, the renewal or non-renewal of the Intergovernmental Agreement with the Maricopa County Consortium, the expenditure of funds, the hiring of personnel and/or contractors, the scheduling of activities, the establishment of procedures for monitoring and evaluation of program activities and other steps necessary to insure that the program can be carried out in a timely and effective manner, including but not limited to the establishment of administrative procedures.

Section 4. The City Manager or designee is authorized to receive and use an additional allocation of \$184,251.00 in 2013-2014 HOME Program funds provided to the City of Chandler for Tenant Based Rental Assistance in accordance with provisions and requirements applicable to such HOME Program funds.

Section 5. The City Manager or designee is authorized to allocate and apply those certain proceeds in the amount of \$167,897.00 realized from the aforementioned Trustee's Sale to the City's HOME program for use in accordance with the requirements of the program.

PASSED AND ADOPTED BY THE CITY COUNCIL OF THE CITY OF CHANDLER, ARIZONA THIS _____ DAY OF _____, 2014.

ATTEST:

CITY CLERK

MAYOR

APPROVED AS TO FORM:

CITY ATTORNEY *GAB*

C E R T I F I C A T I O N

I HEREBY CERTIFY that the above foregoing Resolution No. 4743 was duly passed and adopted by the City Council of the City of Chandler, Arizona at a regular meeting held on the _____ day of _____, 2014, and that a quorum was present thereat.

CITY CLERK

**ATTACHMENT B
CITY OF CHANDLER
FY 2014-2015 HOME FUNDED PROGRAM DESCRIPTIONS
AND FUNDING RECOMMENDATIONS**

1. Community Bridges, Inc.-Tenant Based Rental Assistance Program (TBRA)

Funding Request: \$131,144
Recommendation: \$175,038
Number to be Served: 15 individuals

The goal of the program is to house and maintain housing for vulnerable homeless people, who before being housed, were living on the streets of Chandler. CBI utilizes the AZ Coalition to End Homelessness matrix which identifies and prioritizes for housing the most chronic homeless. As a result of this funding, the agency anticipates 15 homeless clients will continue to receive housing services through June 30, 2015. This program will help the most vulnerable homeless remain in TBRA-assisted housing or transition to permanent housing.

2. Newtown Community Development Corporation-Community Land Trust

Funding Request: \$270,000
Recommendation: \$442,858
Number to be Served: 5-6 households

The goal of the program is to provide affordable homeownership opportunities to Chandler low income first time homebuyers who are priced out of the current housing market. Eligible buyers must complete homebuyer education classes and homeownership counseling. They also must attend an orientation where the ground lease, resale restrictions, shared equity and other provisions of the CLT program are fully explained. The Community Land Trust ground lease contains resale restrictions required by HOME program guidelines. Properties must be kept as the homebuyer's principal place of residency and only households with incomes below 80% of the Area Median Income (AMI) are eligible to purchase a Newtown home. The ground lease gives Newtown the right of first refusal and includes a shared appreciation provision to ensure the CLT homes remain affordable in future years.

3. Habitat for Humanity-Housing Reconstruction Program

Funding Request: \$100,000
Recommendation: -0-

The goal of the project to reconstruct up to two (2) owner-occupied homes that require repairs beyond the scope and maximum rehab dollar limits for the City's housing rehab programs. Housing units to be assisted under this program are typically over 50 years old and located in the City's oldest census tracts. Habitat has a HUD certified Housing and Credit Counselor with significant experience in the affordable housing market. Habitat also has bi-lingual staff to serve the Spanish speaking population. These important services will be available for this program.

4. City of Chandler HOME Program Administration

TBRA Program Administration-\$9,213
2014-2015 Program Administration-\$18,331